

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	CASE NO. IPC-E-05-13
IDAHO POWER COMPANY FOR APPROVAL)	
OF A FIRM ENERGY SALES AGREEMENT)	NOTICE OF APPLICATION
FOR THE SALE AND PURCHASE OF)	
ELECTRIC ENERGY BETWEEN IDAHO)	NOTICE OF MODIFIED
POWER COMPANY AND DRY CREEK, L.L.C.)	PROCEDURE
)	
)	ORDER NO. 29764

On March 31, 2005, Idaho Power Company filed an Application requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Dry Creek, L.L.C. dated March 29, 2005. Under the Agreement, Dry Creek will sell and Idaho Power will purchase electric energy generated by the Broadwater Hydroelectric Project located near Toston, Montana for nine months of the year (from June through February). The Broadwater Hydroelectric Project is an existing hydroelectric facility with a nameplate rating of 10 MW. Dry Creek has a long-term lease to operate and maintain this facility.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Broadwater Hydroelectric Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Agreement was developed pursuant to Commission Order Nos. 29632 (*U.S. Geothermal v. Idaho Power*) and 29646 (setting 2004 avoided cost rates). In the proposed Agreement, the parties agree to a 20-year contract term and to use the non-levelized published avoided cost rates as currently established by the Commission for energy deliveries of no more than 10 aMW. Under Paragraph 4.1.3 of the Agreement, Dry Creek is required to provide data to Idaho Power regarding whether, under normal and/or average conditions, the facility will not exceed 10 aMW on a monthly basis.

YOU ARE FURTHER NOTIFIED that the Broadwater Hydroelectric Project is located in NorthWestern Energy's service territory. Therefore, pursuant to Paragraph 4.1.6 of the Agreement, Dry Creek is required to provide to Idaho Power a copy of the Transmission Agreement with NorthWestern Energy, the transmitting entity, for Idaho Power's review and acceptance.

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YOU ARE FURTHER NOTIFIED that, because the Broadwater Hydroelectric facility is physically interconnected to NorthWestern Energy's system, no physical interconnection costs will be assessed by Idaho Power as specified in Schedule 72. However, pursuant to the Agreement, Dry Creek is required to pay all costs associated with integrating the facility's energy deliveries into the Idaho Power electrical system.

YOU ARE FURTHER NOTIFIED that various requirements have been placed upon Dry Creek in order for Idaho Power to accept energy deliveries from the Broadwater Hydroelectric facility. Idaho Power will monitor compliance with these requirements. If initial requirements are made and the Commission approves the proposed Agreement, the operation date of this facility will be June 1, 2005.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of modified procedure and stating why modified procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Monica Moen
Barton L. Kline
Randy C. Allphin
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: mmoen@idahopower.com
bkline@idahopower.com
rallphin@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or on the Commission's website, www.puc.idaho.gov.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA).

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than twenty-one (21) days from the service date of this Order.

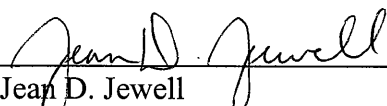
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th
day of April 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPCE0513_kdp

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